

Message Text

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PAGE 01 BRASIL 01666 040155Z
ACTION EB-08

INFO OCT-01 ARA-14 ISO-00 SP-02 USIA-15 AID-05 NSC-05
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00
COME-00 FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06
LAB-04 SIL-01 AGRE-00 /100 W
-----111032 040758Z /13

R 032135Z MAR 78
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 6373
INFO AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

UNCLAS BRASILIA 1666

E.O. 11652: N/A
TAGS: EFIN, ETRD, BR
SUBJECT: EXCHANGE RATE DEVALUATION AND FINAL JANUARY TRADE
DATA

REF: BRASILIA 1228

1. EFFECTIVE 3 MARCH 1978 CRUZEIRO WAS DEVALUED FOR
THIRD TIME IN 1978. NEW RATES OF 16.530 CRUZEIROS PER
DOLLAR BUYING AND 16.630 SELLING REPRESENT 0.8 PERCENT
DEPRECIATION. CULULATIVE DEPRECIATION INCREASED TO
3.6 PERCENT IN CY 1978, WHILE DEPRECIATION IN LAST
12 MONTHS WAS 27.3 PERCENT. LATTER REFLECTED CONTINUED
GRADUAL DECLINE IN ANNUAL RATE OF DEVALUATION. CHANGE
IN RATE CAME AFTER RELATIVELY BRIEF PERIOD OF ONLY
14 DAYS SINCE LAST MINI-DEVALUATION.

2. TRADE DATA FOR JANUARY 1978 REVEALED A DEFICIT OF
\$178 MILLION, IN CONTRAST TO EARLIER GOB ESTIMATE OF
\$70 MILLION (REFTEL). EXPORTS AMOUNTED TO \$803 MILLION
AND IMPORTS TOTALLED \$981 MILLION. MINISTER SIMONSEN
HAS EXPRESSED LACK OF CONCERN WITH THE TRADE OUTCOME,
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POINTING OUT THAT JANUARY TRADITIONALLY IS A DEFICIT
MONTH. LARGER DEFICIT IN JAN 1978 COMPARED TO JAN 1977
(\$68 MILLION) WAS IN FACT WHOLLY ATTRIBUTABLE TO LOW
LEVEL OF COFFEE EXPORTS AND THE CONSEQUENT SHARP DROP IN
COFFEE RECEIPTS FROM \$351 MILLION IN JAN 1977 TO ONLY
\$103 MILLION IN JAN 1978. NON-COFFEE EXPORTS INCREASED
BY VERY SATISFACTORY 31 PERCENT, WHILE IMPORTS WERE

ABOUT 3 PERCENT HIGHER IN JAN 197 COMPARED TO THE SAME
MONTH OF 1977.
JOHNSON

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NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, DATA, DEVALUATIONS, FOREIGN EXCHANGE
Control Number: n/a
Copy: SINGLE
Draft Date: 03 mar 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRASIL01666
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780099-0112
Format: TEL
From: BRASILIA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197803112/aaaadqow.tel
Line Count: 65
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f8bebab9-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
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Secure: OPEN
Status: NATIVE
Subject: EXCHANGE RATE DEVALUATION AND FINAL JANUARY TRADE DATA
TAGS: EFIN, ETRD, BR
To: STATE
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